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JAN 23 2019

REGULATION

STATE OF IOWA
BEFORE THE IOWA DEPARTMENT OF COMMERCE
ALCOHOLIC BEVERAGES DIVISION

IN RE:)
) Docket No. D-2019-00020
LJPS, Inc.)
d/b/a Olde Main Brewing Company) HEARING COMPLAINT AND
316 Main Street) PETITION FOR REVOCATION
Ames, Iowa 50010) OF LICENSE
)
Liquor License No. LC0033372)

The Iowa Department of Public Safety [Department], pursuant to authority granted in Iowa Code § 123.14, hereby makes the following complaint against the above-named Licensee.

1. Iowa Code § 123.39 permits the Administrator of the Iowa Alcoholic Beverages Division [ABD] to suspend or revoke a liquor control license of any licensee/permittee who violates any provision of Iowa Code chapter 123.
2. Iowa Code § 123.30(1)(a) provides that a liquor control license may only be issued to a person of good moral character.
3. Iowa Code § 123.3(35) defines a person of good moral character as a person who "has such financial standing and good reputation as will satisfy the administrator that the person will comply with this chapter and all laws, ordinances, and regulations applicable to the person's operations under [Iowa Code chapter 123]."
4. In evaluating whether a person has sufficient "financial standing" to qualify as a person of good moral character eligible to receive and hold a liquor control license, the ABD may include, but is not limited to, a prospective licensee's:

verified source(s) of financial support and adequate operating capital for the applicant's proposed establishment, a record of prompt payment of local or state taxes due, a record of prompt

payment to the local authority of fees or charges made by a local authority for municipal utilities or other municipal services incurred in conjunction with the proposed establishment, and a record of prompt payment or satisfaction of administrative penalties imposed pursuant to Iowa Code chapter 123.

185 Iowa Admin. Code r. 4.2(4).

5. Iowa Code § 123.49(2)(j) provides that a liquor control licensee and its employees and agent shall not knowingly permit or engage in any criminal activity on the licensed premises.

See also 185 Iowa Admin. Code r. 4.7(1).

6. Iowa Code § 123.30(1)(b) provides that as a condition of licensure, a liquor control licensee shall permit representatives of the ABD to enter upon those areas of the premises where alcoholic beverages are stored, served, or sold, without a warrant during the business hours of the licensee to inspect for violations of chapter 123. *See also* 185 Iowa Admin. Code r. 4.7(2).

7. Iowa Code § 123.33 provides that every liquor control licensee “shall maintain records, in printed or electronic format, which include income statements, balance sheets, purchase and sales invoices, purchase and sales ledgers, and any other records as the administrator may require. The records required and the premises of the licensee shall be accessible and open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the licensee.”

8. Iowa Code § 123.39(1)(b)(4) provides that a liquor license or wine or beer permit may be revoked upon the occurrence of any event that would have resulted in the disqualification of an applicant from receiving the license or permit.

9. Iowa Code § 123.39(1)(b)(6) provides that a liquor license or wine or beer permit may be revoked upon the failure or refusal on the part of any licensee or permittee to render any

report or remit any taxes to the division [ABD] under this chapter [Iowa Code chapter 123] when due.

10. Iowa Code §123.137 provides that a person holding a special class “A” beer permit shall, on or before the tenth day of each calendar month make a report under oath to the ABD showing the exact number of barrels of beer, or fractional parts of barrels, sold by the beer permit holder during the preceding calendar month. The beer permit holder shall, at the time of filing the report, pay to the ABD the amount of tax due at the rate fixed in Iowa Code § 123.136.

COUNT I

11. The Licensee has failed to maintain the requisite good moral character required of all persons who possess a liquor control license in violation of Iowa Code §§ 123.30(1)(a) and 123.39(1)(b)(4). *See* Iowa Code § 123.3(35); 185 Iowa Admin. Code r. 4.2(4).

CIRCUMSTANCES

12. The Licensee’s class “C” liquor control license with special class “A” beer permit – brew pub privilege was conditionally renewed by the ABD pursuant to a consent agreement entered between the ABD and the Licensee on October 9, 2018. *See* Exhibit A – Consent Agreement. Through this agreement, the Licensee voluntarily agreed to serve a probationary term with assurances that it would promptly pay state taxes owed to the Iowa Department of Revenue, maintain dram liability insurance on the licensed premises, maintain active corporation status with the Iowa Secretary of State’s Office, and timely remit sufficient payment for all beer barrel taxes owed to the ABD. *See* Exhibit A at ¶ 2.

13. As of the date of filing of this Hearing Complaint and Petition for Revocation of License, the Licensee, LJPS, Inc., is not promptly paying sales tax and/or withholding tax owed to the Iowa Department of Revenue. An ABD investigation revealed that approximately

\$72,109.60 in sales tax and penalty was owed to the Iowa Department of Revenue and approximately \$46,130.11 was owed to the Iowa Department of Revenue for withholding tax not promptly paid from the 3rd quarter of 2016 through the 2nd quarter of 2018.

14. As of the date of filing of this Hearing Complaint and Petition for Revocation of License, the Licensee, LJPS, Inc., is not promptly reporting or remitting beer barrel tax owed to the ABD. The Licensee failed to report and remit full payment for beer barrel tax owed to the ABD on October 10, 2018, November 10, 2018, December 10, 2018, and January 10, 2019, respectively. Additionally, an ABD investigation revealed that beer barrel tax has not been reported or remitted by the Licensee since January of 2016.

15. Investigation by the ABD also revealed that the Licensee has failed to timely make payment for municipal utilities to the city of Ames, Iowa, for its licensed premises. During the monthly billing period beginning January 26, 2015, and ending November 28, 2018, reviewed by the ABD, the Licensee failed to promptly pay the city of Ames, Iowa, 47 months out of the 47 months reviewed in conjunction with the proposed establishment.

16. The Licensee's failure to: 1) promptly pay all state taxes owed to the Iowa Department of Revenue; 2) report and/or remit beer barrel tax owed to the ABD; and, 3) pay to the local authority fees for municipal utilities each independently exhibit a sufficient lack of good moral character to disqualify the Licensee from holding a liquor control license with a special class "A" beer permit – brew pub privilege in the state of Iowa.

17. Additionally, under the terms of the Consent Agreement entered into by the parties, the Licensee's continued failure to: 1) promptly pay state taxes owed to the Iowa Department of Revenue; and/or 2) promptly report and remit beer barrel tax owed to the ABD each subject the

Licensee's liquor control license with special class "A" beer permit – brew pub privilege to immediate revocation, suspension, or denial of future renewal. *See Exhibit A at ¶2.*

COUNT II

18. The Licensee has failed to maintain all records required by law and/or provide representatives of the ABD with prompt access to all such records for inspection in violation of Iowa Code §§ 123.39(1)(b)(2) and 123.33.

CIRCUMSTANCES

19. During the course of an ABD investigation, ABD Investigators both requested and ultimately subpoenaed business records from the Licensee including sales receipts, beer invoices, and brewer's records. The Licensee failed to promptly and fully comply with these records requests.

20. The Licensee either could not produce the requested records because it did not maintain the records as required by law or failed to cooperate with ABD investigators by refusing to provide access to the requested records.

COUNT III

21. The Licensee has failed to timely file all required beer barrel tax reports and/or fully remit all beer barrel taxes and penalties owed to the ABD in violation of Iowa Code §§ 123.39(1)(b)(6), 123.49(2)(j), 123.136, and Iowa Code §123.137.

CIRCUMSTANCES

22. As of the date of filing of this Hearing Complaint and Petition for Revocation of License, the Licensee, LJPS, Inc., is not promptly reporting or remitting beer barrel tax owed to the ABD. An ABD investigation, revealed that beer barrel tax has not been reported or remitted by the Licensee since January of 2016.

WHEREFORE, the Iowa Department of Public Safety requests that the Administrator revoke Liquor License number LC0033372 with a special class "A" beer permit – brew pub privilege and/or enter any other appropriate sanction against the Licensee for the above-stated violations.

THOMAS J. MILLER
ATTORNEY GENERAL OF IOWA


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EXHIBIT A

STATE OF IOWA
BEFORE THE IOWA DEPARTMENT OF COMMERCE
ALCOHOLIC BEVERAGES DIVISION

IN RE:)	
)	
LJPS, Inc.)	
d/b/a Olde Main Brewing Company)	
316 Main Street)	CONSENT AGREEMENT
Ames, Iowa 50010)	
)	
Liquor License No: LC0033372)	

The Iowa Alcoholic Beverages Division (ABD) and LJPS, Inc. (Applicant) enter into this Consent Agreement (Agreement) pursuant to Iowa Code sections 17A.10 and 123.32.

1. The parties acknowledge the following:

- (A) A liquor control license may only be issued to a person who is of good moral character as defined by this Iowa Code Chapter 123. Iowa Code § 123.30(1)(a).
- (B) A person of good moral character means any person who, among other requirements, is a person that has such financial standing and good reputation as will satisfy the administrator that the person will comply with this chapter and all laws, ordinances, and regulations applicable to the person's operations under this chapter. Iowa Code § 123.3(34)(a).
- (C) The ABD's administrative rules provide that an applicant's "financial standing" may include, but is not limited to: "verified source(s) of financial support and adequate operating capital for the applicant's proposed establishment, a record of prompt payment of local or state taxes due, a record of prompt payment to the local authority of fees or charges made by a local authority for municipal utilities or other municipal services incurred in conjunction with the proposed establishment, and a record of prompt payment or satisfaction of administrative penalties imposed pursuant to Iowa Code chapter 123." 185 Iowa Admin. Code r. 4.2(4)(a).
- (D) The Applicant's class "C" liquor control license with a brewpub privilege application for the 2018-19 license term was submitted to and approved by the local authority pursuant to Iowa Code section 123.32(1). The ABD has

commenced review of the Applicant's liquor license application to determine whether the Applicant meets all statutory requirements for obtaining and holding a class "C" liquor control license with a brewpub privilege. Iowa Code § 123.32(6)(b).

(E) Investigation via the ELicensing system by the ABD revealed that since August of 2006:

1. The Applicant and/or the owners of record have had delinquent tax debt owed to the Iowa Department of Revenue (IDR) at least 7 different times in which IDR submitted a License Sanction Request. IDR has notified us that sales tax and withholding tax is currently owed by the Applicant and a sales tax revocation hearing is currently scheduled in October 2018.
2. The Applicant's dram insurance for its class "C" liquor control license has been cancelled 7 times. A dram cancellation is currently on file for failure to maintain dram insurance on the licensed premises.
3. The Applicant's previous liquor license applications have been denied 3 times because LJPS, Inc. was not an active corporation with the Iowa Secretary of State's office and, therefore, not licensed to do business in the state of Iowa. LJPS, Inc. is currently not active with the Iowa Secretary of State's Office and, therefore not licensed to do business in the state of Iowa.
4. The Applicant failed to provide accurate bank account information and/or had insufficient funds in its bank account to cover electronic funds transfers (EFTs) for 4 of the Applicant's beer barrel tax payments to the ABD associated with the brewpub privilege to manufacture and sell beer at the manufacturing premises for on or off premises consumption to consumers. Three of the beer barrel tax payments were received after the tenth day of the calendar month in which the beer barrel tax was due and therefore not received timely as required by Iowa Code 123.137. The EFTs for these 3 late beer barrel tax payments were subsequently declined on April 5, 2016. A 4th beer barrel tax payment was also declined on April 22, 2016.
5. The Applicant failed to provide accurate bank account information and/or had insufficient funds in its bank account to cover an electronic fund transfer (EFT) to the ABD through the ABD's online licensing system when attempting to pay for its 2015-16 license renewal fee of \$2,778.00 and its 2018-19 license renewal fee of \$2,778.00. As a consequence, the EFTs the Applicant submitted to the ABD for its license renewal fees were declined on October 28, 2015, and October 28, 2018, respectively.

The Applicant and/or the owners of record are on a payment plan for sales tax debt owed on a prior business to the Iowa Department of Revenue. The Applicant eventually submitted to the ABD all necessary correct information and/or funds to cover the declined EFTs described above.

- (F) A liquor license applicant's failure to: promptly pay state taxes owed; failure to maintain dram liability insurance on the licensed premises; failure to maintain an active corporation status with the Iowa Secretary of State's office; failure to timely remit sufficient payment for either a requested license or beer barrel tax owed to the ABD reflect negatively upon that applicant's financial standing and thus can form the basis for determining that an applicant lacks the requisite good moral character to hold a liquor control license. *See Iowa Code § 123.30(1)(a); See also Iowa Code § 123.3(34) (defining person of good moral character); 185 Iowa Admin. Code § 4.2(4).*

2. In recognition of its past failure to promptly pay state taxes owed, failure to maintain dram liability insurance on the licensed premises, failure to maintain an active corporation status with the Iowa Secretary of State's office, and failure to timely remit sufficient payment for either a requested license or beer barrel tax owed to the ABD as described above in subparagraph 1-E, the Applicant voluntarily agrees that as a condition for issuance of a class "C" liquor control license with a brew pub privilege, the Applicant shall serve a one-year probationary term commencing upon the Administrator's or his designee's approval of this Agreement. The Applicant's class "C" liquor control license with brewpub privilege shall be subject to immediate revocation, suspension, or denial of renewal should the Applicant during the probationary term fail to promptly pay state taxes owed to the Iowa Department of Revenue, fail to maintain dram liability insurance on the licensed premises, fail to obtain active status with the Iowa Secretary of State's Office and maintain an active corporation status with the Iowa Secretary of State's office and/or failure to timely remit sufficient payment for either a requested license or beer barrel tax owed to the ABD .

3. In consideration of the Applicant's agreement to serve a probationary term and the Applicant's voluntary assurances that it will promptly pay state taxes owed to the Iowa Department of Revenue, maintain dram liability insurance on the licensed premises, obtain and maintain active status with the Iowa Secretary of State's Office, and timely remit sufficient payment for either a requested license or beer barrel tax owed to the ABD, the ABD agrees to issue the Applicant's class "C" liquor control license with brewpub privilege with all other attendant privileges for the entire 2018-19 license term subject to the agreed upon conditions imposed above in paragraph 2.

4. By entering into this Agreement, the Applicant acknowledges and voluntarily waives its right to adjudicate the merits of the pending application for issuance of its Iowa retail liquor control license through the commencement of a contested case proceeding before the ABD, and all rights attendant to a contested case proceeding including the right to seek judicial review of the ABD's actions.

5. This Agreement shall be made a part of the record of the Applicant and may be considered by the ABD in determining the nature and severity of any disciplinary action to be imposed on the Applicant for any future violations of the laws and rules governing the sale and service of alcoholic beverages.

6. The Applicant voluntarily submits this Agreement to the ABD for its consideration. This Agreement is contingent upon the approval of all parties. The failure of either the ABD or the Applicant to accept all terms of this Agreement shall render the entire agreement null and void without force or effect upon any party. If all parties approve this Agreement, the Agreement shall fully dispose of all issues in this matter.

7. This Agreement is a public record and shall be available for public inspection.

WHEREFORE, the terms of this Consent Agreement are agreed to and accepted by the Iowa Alcoholic Beverages Division and Applicant LJPS, Inc.

IOWA ALCOHOLIC BEVERAGES DIVISION

By: Karen Freund 10/9/18
Karen Freund
Administrator's Designee

APPLICANT

By: Melissa J. Hoff 10/9/18
LJPS, Inc.

RECEIVED

JAN 23 2019

REGULATION

STATE OF IOWA
BEFORE THE IOWA DEPARTMENT OF COMMERCE
ALCOHOLIC BEVERAGES DIVISION

IN RE:)
) Docket No. D-2019-00021
G Enterprises, Inc.)
d/b/a Corner Pocket, DG's Taphouse) HEARING COMPLAINT AND
125 Main Street) PETITION FOR REVOCATION
Ames, Iowa 50010) OF LICENSE
)
Liquor License No. LC0023167)

The Iowa Department of Public Safety [Department], pursuant to authority granted in Iowa Code § 123.14, hereby makes the following complaint against the above-named Licensee.

1. Iowa Code § 123.39 permits the Administrator of the Iowa Alcoholic Beverages Division [ABD] to suspend or revoke a liquor control license of any licensee/permittee who violates any provision of Iowa Code chapter 123.
2. Iowa Code § 123.30(1)(a) provides that a liquor control license may only be issued to a person of good moral character.
3. Iowa Code § 123.3(35) defines a person of good moral character as a person who "has such financial standing and good reputation as will satisfy the administrator that the person will comply with this chapter and all laws, ordinances, and regulations applicable to the person's operations under [Iowa Code chapter 123]."
4. In evaluating whether a person has sufficient "financial standing" to qualify as a person of good moral character eligible to receive and hold a liquor control license, the ABD may include, but is not limited to, a prospective licensee's:

verified source(s) of financial support and adequate operating capital for the applicant's proposed establishment, a record of prompt payment of local or state taxes due, a record of prompt

payment to the local authority of fees or charges made by a local authority for municipal utilities or other municipal services incurred in conjunction with the proposed establishment, and a record of prompt payment or satisfaction of administrative penalties imposed pursuant to Iowa Code chapter 123.

185 Iowa Admin. Code r. 4.2(4).

5. Iowa Code § 123.49(2)(j) provides that a liquor control licensee and its employees and agent shall not knowingly permit or engage in any criminal activity on the licensed premises.

See also 185 Iowa Admin. Code r. 4.7(1).

6. Iowa Code § 123.30(1)(b) provides that as a condition of licensure, a liquor control licensee shall permit representatives of the ABD to enter upon those areas of the premises where alcoholic beverages are stored, served, or sold, without a warrant during the business hours of the licensee to inspect for violations of chapter 123. *See also* 185 Iowa Admin. Code r. 4.7(2).

7. Iowa Code § 123.33 provides that every liquor control licensee “shall maintain records, in printed or electronic format, which include income statements, balance sheets, purchase and sales invoices, purchase and sales ledgers, and any other records as the administrator may require. The records required and the premises of the licensee shall be accessible and open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the licensee.”

8. Iowa Code § 123.39(1)(b)(4) provides that a liquor license or wine or beer permit may be revoked upon the occurrence of any event that would have resulted in the disqualification of an applicant from receiving the license or permit.

COUNT I

9. The Licensee has failed to maintain the requisite good moral character required of all persons who possess a liquor control license in violation of Iowa Code §§ 123.30(1)(a) and 123.39(1)(b)(4). *See* Iowa Code § 123.3(35); 185 Iowa Admin. Code r. 4.2(4).

CIRCUMSTANCES

10. The Licensee's class "C" liquor control license was conditionally renewed by the ABD pursuant to a consent agreement entered between the ABD and the Licensee on October 9, 2018. *See* Exhibit A – Consent Agreement. Through this agreement, the Licensee voluntarily agreed to serve a probationary term with assurances that it would promptly pay state taxes owed to the Iowa Department of Revenue, maintain dram liability insurance on the licensed premises, and maintain active corporation status with the Iowa Secretary of State's Office. *See* Exhibit A at ¶ 2.

11. As of the date of filing of this Hearing Complaint and Petition for Revocation of License, the Licensee, G Enterprises, Inc., does not have an active sales tax permit with the Iowa Department of Revenue and is not promptly paying sales tax owed to the Iowa Department of Revenue.

12. On November 5, 2018, the Licensee failed to maintain dram liability insurance on the licensed premises resulting in the ABD suspending the liquor license issued to G Enterprises, Inc. d/b/a Corner Pocket, DG's Taphouse as of 12:01a.m. on that date. The ABD subsequently lifted the dram summary suspension later on November 5, 2018 after the Licensee presented satisfactory proof of dram liability insurance to the ABD. The ABD has received additional notices of dram insurance cancellation regarding the Licensee on November 6, 2018, and January 3, 2019.

13. As of the date of filing of this Hearing Complaint and Petition for Revocation of License, the Licensee, G Enterprises, Inc., has an inactive corporation status with the Iowa Secretary of State's Office.

14. Investigation by the ABD also revealed that the Licensee has failed to timely make payment for municipal utilities to the city of Ames, Iowa, for its licensed premises. During the monthly billing period beginning January 26, 2015, and ending November 28, 2018, reviewed by the ABD in Case 2018-0040, the Licensee failed to promptly pay the city of Ames, Iowa, 45 months out of the 47 months reviewed in conjunction with the proposed establishment.

15. The Licensee's failure to: 1) maintain an active sales tax permit; 2) promptly pay state taxes owed to the Iowa Department of Revenue; 3) maintain continuous dram liability insurance on the licensed premises; 4) maintain an active corporation status with the Iowa Secretary of State's Office; and, 5) promptly pay the local authority fees for municipal utilities each independently exhibit a sufficient lack of good moral character to disqualify the Licensee from holding a liquor control license in the state of Iowa.

16. Additionally, under the terms of the Consent Agreement entered into by the parties, the Licensee's continued failure to: 1) promptly pay state taxes owed to the Iowa Department of Revenue; 2) maintain dram liability insurance on the licensed premises; and/or 3) maintain an active corporation status with the Iowa Secretary of State's Office each subject the Licensee's liquor control license to immediate revocation, suspension, or denial of future renewal. *See Exhibit A at ¶ 2.*

COUNT II

17. The Licensee has failed to maintain all records required by law and/or provide representatives of the ABD with prompt access to all such records for inspection in violation of Iowa Code §§ 123.39(1)(b)(2) and 123.33.

CIRCUMSTANCES

18. During the course of an ABD investigation, ABD Investigators requested access to business records of the Licensee including sales receipts, and beverage invoices. The Licensee failed to promptly and fully comply with these records requests.

19. The Licensee either could not produce the requested records because it did not maintain the records as required by law or failed to cooperate with ABD investigators by refusing to provide access to the requested records.

COUNT III

20. The Licensee or its agents or employees have knowingly engaged in criminal activity on the licensed premises by making taxable sales to the public without possessing an active Iowa sales tax permit in violation of Iowa Code §§ 123.39(1)(b)(2), 123.49(2)(j), 423.36 and/or 423.40(2). *See* 185 Iowa Admin. Code r. 4.7(1).

21. The Licensee continues to make taxable retail sales to the public even though its Iowa sales tax permit was revoked by the Iowa Department of Revenue in 2004 and has not been reinstated since.

WHEREFORE, the Iowa Department of Public Safety requests that the Administrator revoke Liquor License number LC0023167 and/or enter any other appropriate sanction against the Licensee for the above-stated violations.

THOMAS J. MILLER
ATTORNEY GENERAL OF IOWA

JLL

JOHN LUNDQUIST
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EXHIBIT A

STATE OF IOWA
BEFORE THE IOWA DEPARTMENT OF COMMERCE
ALCOHOLIC BEVERAGES DIVISION

IN RE:)
G Enterprises, Inc.)
d/b/a Corner Pocket, DG's Taphouse)
125 Main Street)
Ames, Iowa 50010)
)
Liquor License No: LC0023167)
)
CONSENT AGREEMENT

The Iowa Alcoholic Beverages Division (ABD) and G Enterprises, Inc. (Applicant) enter into this Consent Agreement (Agreement) pursuant to Iowa Code sections 17A.10 and 123.32.

1. The parties acknowledge the following:

- (A) A liquor control license may only be issued to a person who is of good moral character as defined by this Iowa Code Chapter 123. Iowa Code § 123.30(1)(a).
 - (B) A person of good moral character means any person who, among other requirements, is a person that has such financial standing and good reputation as will satisfy the administrator that the person will comply with this chapter and all laws, ordinances, and regulations applicable to the person's operations under this chapter. Iowa Code § 123.3(34)(a).
 - (C) The ABD's administrative rules provide that an applicant's "financial standing" may include, but is not limited to: "verified source(s) of financial support and adequate operating capital for the applicant's proposed establishment, a record of prompt payment of local or state taxes due, a record of prompt payment to the local authority of fees or charges made by a local authority for municipal utilities or other municipal services incurred in conjunction with the proposed establishment, and a record of prompt payment or satisfaction of administrative penalties imposed pursuant to Iowa Code chapter 123." 185 Iowa Admin. Code r. 4.2(4)(a).
 - (D) The Applicant's class "C" liquor control license application for the 2018-19 license term was submitted to and approved by the local authority pursuant to Iowa Code section 123.32(1). The ABD has commenced review of the

Applicant's liquor license application to determine whether the Applicant meets all statutory requirements for obtaining and holding a class "C" liquor control license. Iowa Code § 123.32(6)(b).

(E) Investigation via the ELicensing system by the ABD revealed that since November of 2006:

1. The Applicant and/or the owners of record have had delinquent tax debt owed to the Iowa Department of Revenue (IDR) at least 6 different times in which IDR submitted a License Sanction Request. The Applicant's liquor control license was suspended under a License Sanction Request in August of 2016 for failure to pay taxes owed to the Iowa Department of Revenue.
2. The Applicant's dram insurance for its class "C" liquor control license has been cancelled 14 times. The Applicant's liquor control license was suspended in April 2017 for failure to maintain dram insurance on the licensed premises.
3. The Applicant's previous liquor license applications have been denied 5 times because G Enterprises, Inc. was not an active corporation with the Iowa Secretary of State's office and, therefore, not licensed to do business in the state of Iowa.

The Applicant is currently not active with the Iowa Secretary of State's Office and, therefore, not licensed to do business in the state of Iowa. The Applicant's dram insurance was eventually reinstated on the 14 dram insurance cancellations and the Applicant and/or the owners of record paid the tax debt owed to the Iowa Department of Revenue.

(F) A liquor license applicant's failure to promptly pay state taxes owed, failure to maintain dram liability insurance on the licensed premises, and failure to maintain an active corporation status with the Iowa Secretary of State's office reflect negatively upon that applicant's financial standing and thus can form the basis for determining that an applicant lacks the requisite good moral character to hold a liquor control license. See Iowa Code § 123.30(1)(a); See also Iowa Code § 123.3(34) (defining person of good moral character); 185 Iowa Admin. Code § 4.2(4).

2. In recognition of its past failure to promptly pay state taxes owed, failure to maintain dram liability insurance on the licensed premises, and failure to maintain an active corporation status with the Iowa Secretary of State's office as described above in subparagraph 1-E, the Applicant voluntarily agrees that as a condition for issuance of a class "C" liquor control license, the Applicant shall serve a one-year probationary term commencing upon the Administrator's or his designee's approval of this Agreement. The

Applicant's class "C" liquor control license shall be subject to immediate revocation, suspension, or denial of renewal should the Applicant during the probationary term fail to promptly pay state taxes owed to the Iowa Department of Revenue, fail to maintain dram liability insurance on the licensed premises, and/or fail to obtain active status with the Iowa Secretary of State's Office and maintain an active corporation status with the Iowa Secretary of State's office.

3. In consideration of the Applicant's agreement to serve a probationary term and the Applicant's voluntary assurances that it will promptly pay state taxes owed to the Iowa Department of Revenue, maintain dram liability insurance on the licensed premises, and obtain and maintain active status with the Iowa Secretary of State's Office, the ABD agrees to issue the Applicant's class "C" liquor control license with all attendant privileges for the entire 2018-19 license term subject to the agreed upon conditions imposed above in paragraph 2.

4. By entering into this Agreement, the Applicant acknowledges and voluntarily waives its right to adjudicate the merits of the pending application for issuance of its Iowa retail liquor control license through the commencement of a contested case proceeding before the ABD, and all rights attendant to a contested case proceeding including the right to seek judicial review of the ABD's actions.

5. This Agreement shall be made a part of the record of the Applicant and may be considered by the ABD in determining the nature and severity of any disciplinary action to be imposed on the Applicant for any future violations of the laws and rules governing the sale and service of alcoholic beverages.

6. The Applicant voluntarily submits this Agreement to the ABD for its consideration. This Agreement is contingent upon the approval of all parties. The failure of either the ABD or the Applicant to accept all terms of this Agreement shall render the entire agreement null and void without force or effect upon any party. If all parties approve this Agreement, the Agreement shall fully dispose of all issues in this matter.

7. This Agreement is a public record and shall be available for public inspection.

WHEREFORE, the terms of this Consent Agreement are agreed to and accepted by the Iowa Alcoholic Beverages Division and Applicant G Enterprises, Inc.

IOWA ALCOHOLIC BEVERAGES DIVISION

By: Karen Freund 10/9/18
Karen Freund
Administrator's Designee

Date

APPLICANT

By: Steve Daffler 10/9/18
G Enterprises, Inc.
Date